

LOFTUS A. ALLEN & COMPANY

CHARTERED ACCOUNTANTS

SUITE 1910 - P.O. BOX 151
TORONTO DOMINION TOWER
TORONTO-DOMINION CENTRE
TORONTO 111, CANADA

TELEPHONE 363-8348
AREA CODE 416

Copy report

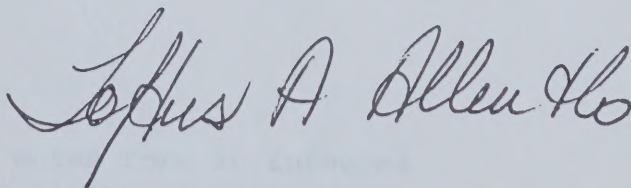
AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of

TIP-TOP CANNERS, LIMITED

as at February 28, 1971 and the statements of profit and loss, earned surplus and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at February 28, 1971 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Toronto, Ontario,
July 21, 1971.

Chartered Accountants

file
TIP-TOP CANNERS, LIMITED

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED FEBRUARY 28, 1971
(with comparative figures for 1970)

	1971	1970
Sales	\$212,310	\$374,351
Cost of Sales	<u>297,287</u>	<u>383,372</u>
Gross Loss	\$ 84,977	\$ 9,021
General and Administrative Expenses	<u>(8,586)</u>	<u>11,149</u>
	\$ 76,391	\$ 20,170
Rental Income	<u>13,312</u>	<u>16,116</u>
Net Loss from Operations	\$ 63,079	\$ 4,054
Income Tax expense or (recovery) - Note 3	<u>227</u>	<u>(1,700)</u>
Net Loss	<u>\$ 63,306</u>	<u>\$ 2,354</u>

The attached notes form an integral
part of these financial statements.

Digitized by the Internet Archive
in 2025 with funding from
University of Alberta Library

https://archive.org/details/Loft0000_1971

TIP-TOP CANNERS, LIMITED

STATEMENT OF EARNED SURPLUS

FOR THE YEAR ENDED FEBRUARY 28, 1971
(with comparative figures for 1970)

	1971	1970
Balance, beginning of year	\$327,097	\$329,451
Less: Net loss	63,306	2,354
Balance, end of year	<u>\$263,791</u>	<u>\$327,097</u>

The attached notes form an integral part of these financial statements.

TIP-TOP CANNERS, LIMITED

NOTES TO FINANCIAL STATEMENTS

AS AT FEBRUARY 28, 1971

1. The dividend on the cumulative Class "A" shares has been paid to March 31, 1964 and the amount presently in arrears is \$81,781.
2. Under long term leases, the Company is obligated to pay annual rental of \$24,464 until 1989.
3. As a result of fire loss recoveries in a prior year, the amount of the undepreciated capital cost available for tax purposes at March 1, 1970 was less than the net book value (cost less accumulated depreciation) of the fixed assets.

However, the depreciation expense shown on the statement of profit and loss of \$21,409 in the current year was not claimed for tax purposes, thereby eliminating the timing difference and the related deferred liability at the beginning of the year. Under the Income Tax Act, losses may be carried forward for five years to reduce any taxable income. The potential tax recovery, resulting from the loss in 1971 is \$33,000 and has not been recorded in the accounts.

4. Stuart House International Limited owns 96.5% of the Company. A substantial part of the sales of Tip-Top Canners, Limited is made either to the parent or an associated Company. Accordingly, all intercompany transactions are at the discretion of the management of the parent Company.

TIP-TOP CANNERS, LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED FEBRUARY 28, 1971
(with comparative figures for 1970)

	1971	1970
SOURCE OF FUNDS		
Disposal of fixed assets	\$ 1,050	\$12,194
	<u> </u>	<u> </u>
APPLICATION OF FUNDS		
To Operations		
Net loss for the year	\$63,306	\$ 2,354
Depreciation which does not require an outlay of cash	<u>(21,409)</u>	<u>(26,644)</u>
	\$41,897	\$24,290
Purchase of fixed assets	697	-
Increase or (decrease) in working capital	<u>(41,544)</u>	<u>12,096</u>
	\$ 1,050	\$12,194
	<u> </u>	<u> </u>

TIP-TOP CANNERS, LIMITED
(Incorporated under the Laws of Ontario)

BALANCE SHEET

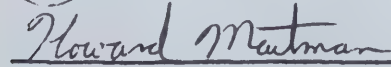
AS AT FEBRUARY 28, 1971
(with comparative figures for 1970)

	1971	1970
ASSETS		
Current Assets		
Accounts receivable less allowance for doubtful accounts (\$9,466 - 1971 and 1970)	\$ 15,299	\$ 37,932
Due from associated companies	168,887	299,767
Inventory - at lower of cost and market	158,041	188,314
Prepaid expenses and deposits	<u>3,648</u>	<u>10,101</u>
Total Current Assets	<u>\$345,875</u>	<u>\$536,114</u>
 Fixed Assets		
Machinery and equipment - at cost	\$291,630	\$291,983
Less: Accumulated depreciation	<u>193,790</u>	<u>172,381</u>
Net Fixed Assets	<u>\$ 97,840</u>	<u>\$119,602</u>
	 <u>\$443,715</u>	 <u>\$655,716</u>

Approved on behalf of the Board:



Director



Director

	1971	1970
LIABILITIES		
Current Liabilities		
Bank overdraft	\$ 14,540	\$ 50,300
Bank loan and accept- ances payable - secured	-	130,000
Accounts payable and accrued liabilities	<u>36,871</u>	<u>19,806</u>
Total Current Liabilities	<u>\$ 51,411</u>	<u>\$200,106</u>
 Shareholders' Equity		
Capital		
Authorized		
50,000 Class "A" shares 50¢ cumulative of no par value		
50,000 Class "B" shares of no par value		
Issued		
23,366 Class "A" shares)		
23,366 Class "B" shares) Note 1	\$116,830	\$116,830
Reserve for dividends	11,683	11,683
Earned Surplus	<u>263,791</u>	<u>327,097</u>
Total Shareholders' Equity	<u>\$392,304</u>	<u>\$455,610</u>
	<u>\$443,715</u>	<u>\$655,716</u>

The attached notes form an integral
part of these financial statements.

Auditors' report attached.

Corp report

SL

TIP TOP CANNERS LIMITED
STATEMENT OF PROFIT AND LOSS

For the Six Months Ended August 31, 1972
(with comparative figures for 1971)

	<u>1972</u>	<u>1971</u>
Sales	\$ 91,197	\$124,075
Gross Profit or (Loss) (after depreciation of \$8,892. \$10,167 in 1971)	(24,374)	(7,698)
General and Administrative Expenses including the following: .	(6,189)	2,903
	<u>1972</u>	<u>1971</u>
Depreciation	64	80
Legal	--	--
Executive Salaries	--	--
Directors Fees	--	--
	<u>64</u>	<u>80</u>
Net Profit or (Loss) from Operations	\$ (18,185)	\$ (10,601)
Income Taxes	<u>(6,383)</u>	<u>(2,591)</u>
NET PROFIT OR (LOSS)	\$ (11,802)	\$ (8,010)
	=====	=====

TIP TOP CANNERS LIMITED
SOURCE AND APPLICATION OF FUNDS

Six Months Ended August 31, 1972
(with comparative figures for 1971)

	<u>1972</u>	<u>1971</u>
<u>FUNDS WERE PROVIDED BY:</u>		
Net Profit (Loss)	\$(18,185)	\$(10,601)
Depreciation	<u>8,956</u>	<u>11,968</u>
	\$ (9,229)	\$ (354)
	<u><u> </u></u>	<u><u> </u></u>
 <u>FUNDS WERE USED FOR:</u>		
Increase (Decrease) in Working Capital	<u><u>\$ (9,229)</u></u>	<u><u>\$ (354)</u></u>

